Credit provisions for farmers

530.**SHRI D. RAJA: Will the Minister of FINANCE** bepleased to

state:

(a) whether it is a fact that the number of farmers being provided credit by the banking sector has gone down during the year, 2007-08 though the credit disbursed has doubled;

(b) if so, the details thereof;

(c) whether Government has made any study to analyse the reasons for the mismatch between the number of farmers accounts financed and the credit disbursed; and

(d) if so, the details thereof and findings thereon?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI PAWAN KUMAR BANSAL): (a) to (d) No, Sir. As per the information available with the Government, the number of farmers being provided credit by the banking system has shown an increasing trend during the year 2007-08 (till December, 2007) as compared to the corresponding period of last year *i.e.* December, 2006. as may be seen from the following Table:

Sl. No	Agency	2007-08 (upto Dee 2007)* No of A/cs	Amt. (in lakh) (Rs. Crore)	Position (upto Dec.2006) No. of A/cs	Amt. (in lakh) (Rs. Crore)
1	Cooperative Banks	173.34	35,99327	151.51	33,174.32
2	RRBs	47.36	18278.35	47.17	15,170.03
3	Commercial	122.48	108,429.58	113.34	100,998.81
	TOTAL:	343.18	162701.20	312.02	149343.16

* Data Provisiona

Import of Gender Testing Kits on foetus

531 .SHRIMATI BRINDA KARAT: Will the Minister of FINANCE be pleased to

state:

(a) whether his Ministry has received any intimation from Health Ministry regarding import of Gender Testing Kits on Foetus; and

(b) if so, what action has been taken by his Ministry?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI S.S. PALANIMANICKAM): (a) Yes, Sir.

(b) Customs field formation have been suitably alerted not to release the import of Gender Testing Kits on Foetus and to take appropriate action under the Customs Act, 1962.

Consequences of appreciation of rupee

532. SHRI MAHENDRA MOHAN: Will the Minister of FINANCE be pleased to state:

(a) whether it is a fact that appreciation of rupee *vis-a-vis* dollar has resulted into micro-gain and macro-pain;

(b) if so, what sectors of Indian economy have been adversely affected by the appreciation of the rupee;

(c) how many jobs have been lost in garments and textile sector in the last Six months and how many people in the leather industry have been rendered jobless consequently;

(d) whether appreciation of the rupee was due to the result of the actions of Government to curb inflation; and

(e) if so, the reason therefor?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRIPAWAN KUMAR BANSAL): (a) and (b) Rupee depriciated against the US dollar in 2006-07 by 2.2 percent while exports grew by 22.6 percent. In 2007-08 (April December) despite the appreciation of rupee against the U.S. dollar by 12.3 percent, exports grew by 21.6 percent in dollar terms. However, sector such as textiles, handicraft and carpets, which have low import intensity have experienced low and negative export growth in April-October 2007, while sectors with high import intensity like POL, have witnessed high export growth.

(c) to (e) The appreciation of the rupee against the US dollar since the second half of 2006-07 is basically due to the weakening of the US dollar against all major currencies. Since there has been concern over possible adverse impact of rupee appreciation on labour-intensive exports and consequently employment in these sectors, the Government announced various relief measures, to mitigate the effect of appreciation of the rupee on select sectors which include, among other, the following:—

(i) Enhancement by 3 per cent of the Duty entitlement Pass Book (DEPB) rates for 9. sectors i.e. textiles (including handloom) readymade garments, leather products handicraft, engineering products, processed agricultural products, marine products, sports goods and toys, and by 2 per cent for others.

(if) Reduction in Export Credit Guarantee Corporation (ECGC) Premium by 10 per cent.

(iii) Release of around Rs. 600 crores to clear all arrears of terminal excise duties and Central Sales Tax (CST) Reimbursement.

(iv) Enhancement of the rates of dutry drawback by around 10 per cent to 40 per cent. The drawback was increased in most of the cases which have been made effective retrospectively from 1.4.2007. In few cases, such as, primary steel, dyes and chemicals, where the drawback rates have been reduced, this has been done prospectively from 18.7.2007.

(v) Interest subvention of 2% for pre-shipment and post-shipment credit for the 9 sectors and all exporters from the SME sector which was further extended from 31.12.2007 to 31.3.2008. Additional subvention of 2% from 1.11.2007 to 31.3.2008 for pre-shipment and post-shipment credit for leather & leather manufacturers, marine products, handicrafts and all categories of textiles under existing scheme including Ready Made Garments (RMG) and Carpets but excluding man-made fibre.

(vi) Refund of Service Tax to Exporters for use of Services not in the nature of "Input services".

(vii) Provision to pay interest on Exchange Earner's Foreign Currency (EEFC) balances for outstanding balances.

(viii) Widening the lost of interest subvention of 2% for pre-shipment and post-shipment credit to include jute textiles and carpets, processed cashew, coffee and tea, solvent extracted de-oiled cake, and plastics & linoleum.

(IX) Rasing the revenue ceiling for Vishesh Krishi and Gram Udyog Yojana by Rs. 300 crore (from Rs. 200 crore to Rs. 500 crore)

(x) Reduction in customs duty on some items relating to textiles sector.

Government support for SSIs

533. **SHRI MAHENDRA MOHAN**: Will the Minister of **FINANCE** be pleased to state:

whether it is a fact that the oppurtunity cost of continuing with the Small Scale Industries(SSIs) reservation is very high specially as small units are unable to respond to the rapidity of technological changes due to limitation on investment and capacity prescribed in the policy;

if so, whether Government plans to provide requisite infrastructure and institutional support to help SSIs to effect vertical integration with larger Units;

if so, the details thereof; and

if not, the reasons therefor?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI PAWAN KUMAR BANSAL):(a)Yes,Sir.

(b) to (d) Besides putting in place a framework to classify Micro, Small and Medium Enterprises to bring out the Micro, Small and Medium Enterprises (MSME) continuum under the MSME Development Act, 2006, the Government (in the Ministry of MSME) has initiated some steps to enable the Micro and Small Enterprises (MSEs) to grow vertically rather than exhibit the current pattern of horizontal growth. These steps include, *inter-alia,*

(i) enabling MSEs to obtain 15% subsidy for adoption of 48 currently idenified modern technologies by availing financial assistance of up to Rs. 1 crore under the Credit Linked Capital Subsidy Scheme;

(ii) assistance for the upgradation of infrastructure in industrial clusters under the Micro and Small Enterprises Cluster Development Programme (MSE-CDP).

The Ministry of MSME has also announced the implementation of a 10 point initiative under the National Manufacturing Competitiveness Programme (NMCP) for enhancing the competitiveness of the manufacturing sector, particularly the SMEs. The implementation of this Programme is likely to assist in achievement of this objective as well.

Regularisation of cumulative amounts of excess expenditure

534. **DR. K. MALA1SAMY**: Will the Minister of **FINANCE** be pleased to state:

the latest position of the cumulative amounts of excess expenditure incurred by the States and the Centre remaining without regularization according to the Constitution of India as at the end of the financial years;

the steps taken on the progress made in regularization; and

(c) whether this defect can be corrected once and for all?